

1 ROBERT S. MUELLER, III (CSBN 59775)
2 United States Attorney

3 MAY 29 7 55 AM '01

4 RICHARD L. CLARK IS
5 U.S. DISTRICT COURT
6 NO. DIST. OF CA. S.J.

7
8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA

10 SAN JOSE DIVISION

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 ROBERT W. ROBB,

15 Defendant.

16 No.:

17 VIOLATIONS: 18 U.S.C. § 1343 -
18 Wire Fraud; 18 U.S.C. § 875(b) -
19 Extortion

20 SAN JOSE VENUE

21 INDICTMENT

22 The Grand Jury charges:

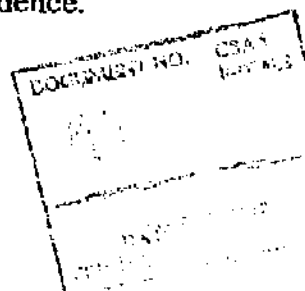
23 Introduction

24 1. At all times relevant to Counts One through Five of this Indictment:

25 a. Robert W. Robb ("Robb") was the founder and CEO of
26 Junglegames.com, a Nevada corporation, and Millennium Networks, Inc.
("Millennium"), a Utah corporation.

Both Millennium and Junglegames.com listed their principal places
of business as 189 S. 1000 West, Orem, Utah 84058, which is Robb's residence.

INDICTMENT



The Scheme and Artifice to Defraud

2. Between approximately September 1999 and March 2001, Robb raised more than \$4 million from investors based upon a series of representations he made regarding computer games he had invented. Specifically, Robb told investors that he had invented skill-based gambling games that could be played by multiple players either on machines in casinos or on the Internet. Robb told investors that he would use their money to manufacture, develop, and market these games through his companies, Millennium Networks ("Millennium") and Junglegames.com.

3. To convince investors to provide him with funds, Robb falsely represented, among other things, that:

- a. prototypes of his gaming machines had been installed in Las Vegas casinos, including the Bellagio Hotel and Casino, MGM, and Mirage Resorts;
- b. the Nevada Gaming Commission was "very close" to approving the games;
- c. Microsoft President Steven Ballmer had offered to pay \$50 million for patents for the games; and
- d. David Kotkin, the magician known as "David Copperfield," had participated in a successful "roll-out" of the on-line game.

A. Investor James Wilson and Associates Invest \$2.6 Million

4. In the fall of 1999, Robb told James Wilson that he needed money to obtain a patent, manufacture prototype machines, and market them to Las Vegas casinos. As a result, in November 1999, Wilson wired approximately \$31,000 to Robb and continued to provide financing for the next several months.

5. During December 1999, Robb told Wilson that the prototype machines were working well and that several casinos would install them in their "high roller" areas around Christmas of 1999. Shortly before Wilson was scheduled to leave for Las Vegas in late December 1999, Robb told him that an angry drunken customer had destroyed one

1 of the prototype machines and, as a result, that all of the machines had been temporarily
2 removed from Las Vegas casinos. This statement was false, since none of Robb's gaming
3 machines had been installed in any Las Vegas casinos.

4 6. On January 2, 2000, Robb sent Wilson the following false e-mail:

5 [A] lot has happened in the last 24 hours. The
6 good news: we received an order for the first
7 500 banks of machines from our Australian
8 friend. Also good: Mirage SAYS they will keep
9 their end of our deal. There is \$41,700,000 in
10 royalties due to our company on January 18
11 between them and the MGM. We have firm
12 orders for another 116 banks from various
properties here in Vegas, with as many as 1000
more in the next two weeks. I'm meeting with
representatives from Trump Casinos tomorrow
.... We've also received the go-ahead from
the legal folks at the Gaming Commission to
begin building the Internet version of these
games

13 Robb asked Wilson to send him an additional \$125,000 to "get the online version up and
14 running" in exchange for Robb assigning him patent rights to the games. As a result, in
15 January, 2000, Wilson wired funds totaling \$129,000 to Robb.

16 7. On January 11, 2000, Robb faxed Wilson a "License Agreement" between
17 Millennium and Mirage Resorts, which bore the forged signature of Stephen A. Wynn,
18 the CEO of Mirage Resorts.

19 8. During the summer of 2000, Wilson and five of his co-workers at Microsoft
20 Corporation, namely, Mike Pizzo, Dax Hawkins, Jeff Bernhardt, Ross Bunker, and
21 Suresh Kannan, lent Robb an additional \$160,000. They did so, in part, based upon
22 Robb's false representation that he would "immediately begin the process of filing with
23 the US Patent Office the necessary documentation to assign" the Junglegames.com patent
24 to those investors.

25 9. In December 2000 and January 2001, Robb asked Wilson for more money.
26 When Wilson refused, Robb told him that he (Robb) would be killed if he did not obtain

1 more financing. Robb also threatened to kill Wilson and the other Microsoft investors if
2 they did not give him more money.

3 10. In total, Wilson and his five Microsoft co-workers provided Robb with
4 approximately \$2.6 million as a result of his false representations.

5 B. Edward Zanelli and Family Invest \$1.43 Million

6 11. On August 17, 2000, at the Double Tree Hotel in San Jose, California, Robb
7 falsely told Edward Zanelli that the Nevada Gaming Control Board was very close to
8 approving his gaming system, but that he (Robb) needed to repay approximately \$500,000
9 in gambling debts to Las Vegas casinos so that he would not lose "credibility" with the
10 Board. In fact, although Robb did have substantial gambling debts, he had never applied
11 to the Gaming Control Board for any licenses or permits.

12 12. On August 18, 2000, as a result of Robb's false representations, and in
13 exchange for Robb's promise to repay the debt in sixty days with 10% interest, Zanelli
14 wired \$350,000 from an account in ~~Menlo Park~~ PALO ALTO, California, to Robb's Millennium
15 account at a bank in Utah.

16 13. Zanelli wired another \$25,000 to Robb's Millennium account on September
17 1, 2000. Following this transfer, Robb told Zanelli that he was preparing to "roll out" the
18 on-line game and that the "roll out" would involve six "high roller" players. Robb asked
19 Zanelli for \$175,000 to finance the "roll out." On September 18, 2000, Zanelli wired this
20 sum to Robb's Millennium account.

21 14. On October 2, 2000, Zanelli wired another \$450,000 to the Millennium
22 account. Robb told Zanelli that he would use the funds to purchase, in Zanelli's name,
23 90,000 shares of stock in Eyevelocity, a California corporation doing business in Oregon.
24 Despite Zanelli's demands, Robb has not delivered the shares of Eyevelocity nor has he
25 returned the \$450,000 or any part of it to Zanelli.

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INDICTMENT

1 15. On October 23, 2000, Robb sent Zanelli copies of the signature pages of
2 "player agreements" Robb claimed had been signed by five of the players who had
3 participated in the "roll out." One of those pages bore the forged signature of David S.
4 Kotkin, a/k/a "David Copperfield." Robb later falsely told Zanelli that Kotkin had been
5 one of the "winners" and had won \$4M, which had been paid to him by another investor.

6 16. Also on October 23, 2000, Robb sent Zanelli an e-mail containing a
7 falsified "offer," purportedly from Microsoft President Steven Ballmer, to purchase
8 Robb's gaming patent for \$50M in cash. Believing that the "roll out" had occurred and
9 that the Ballmer e-mail was genuine, Zanelli wired another \$250,000 to Robb on October
10 23, 2000. Based upon the same representations, Zanelli's father and two brothers also
11 invested approximately \$180,000 via wire transfers sent on or about the same date. The
12 total provided to Robb by Zanelli and his family members was approximately \$1.43
13 million.

14 17. On January 24, 2001, Robb falsely told Zanelli that he (Robb) was the sixth
15 player who had participated in the "roll out" and that he had won \$5 million. Robb said
16 that he had taken \$2.5 million from the company account as his partial share of the
17 "winnings." Robb later told Zanelli that he had spent much of his "winnings" in Las
18 Vegas and admitted to losing more than \$1 million playing blackjack.

19 C. Brian Kandel Invests \$70,000 in Robb's Scheme

20 18. On September 28, 2000, at a restaurant in Los Gatos, California, Robb
21 falsely told Brian Kandel and others that following the recent, successful "roll out" of the
22 Internet gambling game, Junglegames.com needed money to pay the winners. Robb said
23 the company needed this money because of its "policy" of paying winners immediately
24 but giving losers 30 days to pay. Robb stated that, once the losers had paid what they
25 owed, Junglegames.com's profit would be approximately \$9.7 million.

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INDICTMENT

19. Based upon Robb's false representations, Kandel agreed to invest in Junglegames.com. On September 28, 2000, he wired \$45,000 from his Wells Fargo account in Santa Clara, California, to Robb's account in Utah. On October 11, 2000, Kandel wired another \$25,000 to that account.

20. In January of 2001, Robb told Zanelli and Kandel that he had entered into a \$2 million loan agreement with an unnamed entity. On January 15, 2001, Robb faxed Kandel a copy of a 21- page loan agreement dated September 28, 2000, and which bore the forged signature of "Kevin Helna," CEO of "Nassau Holdings, Inc." Robb asked Kandel for money to pay a \$250,000 installment on this purported loan. Kandel refused.

21. On January 12, 2001, Robb e-mailed Kandel and told him that Junglegames.com had become involved with a Japanese company called Aruze. Robb stated that Aruze was tied to organized crime and threatened that

[a] very good way to get killed by would be [sic] for you to disclose any of the information above, or the information in the contract, to anyone for any reason. Should this loan not go through today, I will have no choice but to leak the information and give your name and address to the folks at Aruze as the person who did it.

COUNTS ONE THROUGH TEN: (18 U.S.C. § 1343 – Wire Fraud)

22. Paragraphs 1 through 21 are realleged and incorporated as if fully set forth here and in each of Counts One through Ten, below:

29. On or about and between September 1999 and March 2001, both dates being approximate and inclusive, in the Northern District of California, and elsewhere, the defendant

ROBERT W. ROBB

did devise and intend to devise a scheme and artifice to defraud and to obtain money by means of false and fraudulent pretenses, representations, and promises.

INDICTMENT

30. On or about the dates listed below, within the Northern District of California, and elsewhere, the defendant, for the purpose of executing said scheme and artifice to defraud, did knowingly transmit and caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, and pictures, as further set forth below:

<u>Count</u>	<u>Date</u>	<u>Point of Origin</u>	<u>Recipient</u>	<u>Communication</u>
1	8/18/00	Salomon Smith Barney Palo Alto, CA	Zions Bank Orem, UT	Zanelli \$350K wire transfer
2	9/1/00	Salomon Smith Barney Palo Alto, CA	Zions Bank Orem, UT	Zanelli \$25K wire transfer
3	9/18/00	Salomon Smith Barney Palo Alto, CA	Zions Bank Orem, UT	Zanelli \$175K wire transfer
4	9/28/00	Wells Fargo Bank Santa Clara, CA	Zions Bank Orem, UT	Kandel \$45K wire transfer
5	10/2/00	Salomon Smith Barney Palo Alto, CA	Zions Bank Orem, UT	Zanelli \$450K wire transfer
6	10/11/00	Wells Fargo Bank Santa Clara, CA	Zions Bank Orem, UT	Kandel \$25K wire transfer
7	10/23/00	rrobb@junglegames.com	zanelli@envisage.com	Ballmer "offer"
8	10/23/00	Robert Robb Las Vegas, NV	Edward Zanelli Redwood City, CA	Faxed pages of player agreements
9	10/23/00	Salomon Smith Barney Palo Alto, CA	Zions Bank Orem, UT	Zanelli \$250K wire transfer
10	1/15/01	Robert Robb Orem, Utah	Brian Kandel, Santa Clara, CA	Faxed \$2M loan agreement

All in violation of Title 18, United States Code, Section 1343.

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INDICTMENT

1 COUNT ELEVEN: (18 U.S.C. § 875(b) – Extortion)

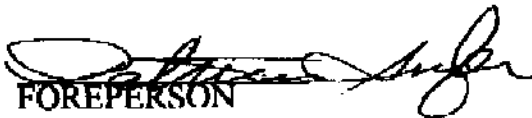
2 On or about January 12, 2001, in the Northern District of California, and
3 elsewhere, the defendant

4 ROBERT W. ROBB


5 did, with the intent to extort money from Brian Kandel, cause to be transmitted in
6 interstate commerce an e-mail, from "rrobb@junglegames.com" to
7 "bkandel@earthlink.net," containing a threat to injure the person of another, namely,
8 Brian Kandel, in violation of Title 18, United States Code, Section 875(b).

9 DATED:

A TRUE BILL.

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11 
12 FOREPERSON

13 ROBERT S. MUELLER, III
14 United States Attorney

15 
16 ELIZABETH DE LA VEGA
17 Chief, San Jose

18 (Approved as to form: 
19 AUSA Callaway
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INDICTMENT